

County of Los Angeles CHIEF EXECUTIVE OFFICE

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February 1, 2011

To:

Mayor Michael D. Antonovich

Supervisor Gloria Molina

Supervisor Mark Ridley-Thomas Supervisor Zev Yaroslavsky Supervisor Don Knabe

From:

William T Fujioka

Chief Executive Officer

SACRAMENTO UPDATE

This memorandum contains a pursuit of County-sponsored legislation to allow a chief probation officer to seek medical consent for detained juveniles; the status of County-sponsored legislation to enhance the County's existing Homeowner Notification Program; a pursuit of County position on legislation relating to funding of local public safety programs; and a report on a hearing of the Joint Assembly Banking and Finance, Housing and Community and Judiciary Committees.

Pursuit of County-Sponsored Legislation

Consistent with existing Board policy to support legislation to clarify a chief probation officer's authority to consent to medical examinations and non-emergency medical care for youth detained in county juvenile facilities, we will pursue County-sponsored legislation to allow a chief probation officer to seek medical consent for detained juveniles.

State regulations require detained minors to undergo routine physical examinations, which include drawing blood, checking insulin levels for diabetic patients, and/or providing immunizations, which require the consent of a parent or legal guardian. If the parent or legal guardian refuses consent or does not respond to a request for consent, the chief probation officer may seek court approval for its consent for medical treatment. However, the court may only grant consent for medical treatment to the chief probation

officer upon recommendation of the treating physician or in the case of a medical emergency. In addition, if the chief probation officer needs to seek a court order for medical treatment, a separate order must be sought for each examination or medical procedure. This creates delays in treatment and places the health of detained minors, as well as, the health of probation staff at risk.

The Probation Department and the Department of Health Services indicate that it is critical that chief probation officers have the legal authority to consent on behalf of the minor for routine physical examinations or other necessary medical treatment if the parent or legal guardian cannot be found or does not respond to requests for consent, and we concur.

Therefore, consistent with existing Board policy to support legislation to clarify a chief probation officer's authority to consent to medical examinations and non-emergency medical care for youth detained in county juvenile facilities, the Sacramento advocates will pursue this County-sponsored legislation.

Status of County-Sponsored Legislation

SB 62 (Liu), as introduced on January 3, 2011, would enhance the County's existing Homeowner Notification Program to authorize the County to: 1) notify homeowners and renters subject to notices of default or sale; 2) collect a fee for notification upon the recording of a notice of default or sale; and 3) use a portion of the recording fee to provide information, counseling, or assistance to a person who receives the notice. These provisions would sunset on January 1, 2015. The bill also states that the Legislature finds and declares the need for the special law because the County is experiencing a foreclosure and real estate fraud crisis that necessitates additional authority for the County to provide notice of the recording of certain foreclosure-related real property transactions to interested parties. This measure is currently in the Senate Judiciary Committee awaiting a hearing date.

Pursuit of County Position on Legislation

AB 192 (Logue), as introduced on January 26, 2011, is an urgency measure that would appropriate \$500.0 million from the State General Fund to the Local Safety and Protection Account (LSPA) to fund local public safety programs beginning on July 1, 2011, and each July 1 thereafter, for a period of five years.

The Local Safety and Protection Account used to be funded through the State General Fund. However, in February 2009, Governor Schwarzenegger and the Legislature passed legislation shifting funding from the State General Fund to the Vehicle License

Fee (VLF) which they temporarily increased by 0.65 percent, directing 0.15 percent to the LSPA. This funding source is set to expire on June 30, 2011.

Governor Brown's Realignment Proposal includes a provision to extend the 0.65 percent VLF increase for local public safety programs for an additional five years; however, the extension would require a two-thirds vote of the Legislature to place an initiative on a June 2011 Special Election Ballot for voter approval.

The Local Safety and Protection Account provides an estimated \$131.0 million for various local public safety programs in the County including: Juvenile Probation activities (\$72.5 million), Citizens' Option for Public Safety (COPS) Program (\$19.9 million), Juvenile Justice Crime Prevention Act (JJCPA) Program (\$28.9 million), various public safety program grants (\$14.4 million), and Jail Booking Fee Subventions (\$1.4 million). It is estimated that the loss of this funding effective July 1, 2011 could result in the closing of up to 12 juvenile detention camps, elimination or reduction of several juvenile community-based prevention programs, 33 percent reduction in attorneys assigned to the Hardcore Gang and Major Narcotics Division and Elder Abuse Section, and funding reductions to the Multi-jurisdictional Methamphetamine Enforcement Team and High Technology Theft Apprehension and Prosecution Program.

Consistent with existing Board policies to: 1) provide full funding for the Juvenile Justice Crime Prevention Act; 2) provide full funding for prevention and intervention programs for youth at-risk of becoming involved, or who are currently involved, in the juvenile justice system; and 3) ensure that each county receives annual funding for juvenile probation services in an amount at least equal to the Federal Temporary Assistance for Needy Families (TANF) grant funds received by counties in Federal Fiscal Year 1995, the Sacramento advocates will support AB 192.

There is no recorded support or opposition to AB 192 at this time. The measure has not yet been scheduled for a hearing.

Hearing of the Joint Assembly Banking and Finance, Housing and Community Development and Judiciary Committees

On January 31, 2011, the Joint Assembly Banking and Finance, Housing and Community Development and Judiciary Committees conducted a hearing at the Kenneth Hahn Hall of Administration to address the home foreclosure crisis in California. Committee members indicated that their main interest was the development of legislative responses to address home foreclosures and the impact of foreclosures on the economic recovery, homeownership, communities and jobs. Present at the hearing

were: Assembly Members Mike Eng (Chair - Banking and Finance), Norma J. Torres (Chair - Housing and Community Development), Mike Feuer (Chair - Judiciary), Gil Cedillo, Steven Bradford, Bob Wieckowski and Ricardo Lara.

The Committee heard presentations by various State and community experts and Committee staff presented background information on the home foreclosure crisis and stated that nationwide over two and a half million homes are at some stage of the foreclosure process. In California, a total of 546,669 properties received a foreclosure filing in 2010. However, these numbers would have been much higher were it not for the decision of several banks to slow foreclosure proceedings dramatically late in 2010 amid scrutiny from lawmakers, regulators and law enforcement officials over inappropriate practices, including allegations of faulty documentation.

In general, the testimony provided by the banking industry representatives was that consumers who are in foreclosure are filing boilerplate legal action complaints that tie up court proceedings and contribute to the foreclosure crisis. Additionally, an industry representative asked if the State is willing to share in the negative economic impact of providing loan modifications and principal reductions to borrowers who are underwater and have little chance of keeping their homes due to unemployment, underemployment and other fiscal constraints.

Consumer group representatives in turn, stated that there is a disconnect with mortgage servicing companies, lenders and consumers. In California, consumers are struggling to obtain mortgage modifications, and in frustration, are taking their cases to court, accusing banks and loan servicers of misleading them or breaking promises to help them hold on to their homes.

Consumer groups also indicated that when borrowers are in danger of defaulting, a common sense approach is for the lender and borrower to mutually agree to modify the terms of the loan. However, the mortgage industry has become more complex, involving not only the borrower and lender but also a loan services company, who may or may not be affiliated with the lender; and also investors, who purchase an interest in the mortgage. Under this arrangement, the loan services company, not the loan originator or investor, has the power to either bring a foreclosure or approve a loan modification if the borrower fails to make timely payments.

After all testimony was heard, Assembly Member Feuer stated that the foreclosure problem affects everyone in the State and that his office is asking for ideas, proposals and suggestions to improve the status quo. Specifically, Assembly Member Feuer asked for legislative ideas that he and the Joint Committee can pursue. Assembly Member Eng stated that he wants to incentivize data collection on foreclosures and

invited ideas to address what he called structural disincentives to work together to solve the foreclosure crisis. Assembly Member Torres invited participants to continue their engagement and to explore what other states, such as New York and Maryland, are doing to address the crisis and added that many questions are left unanswered, which will necessitate further hearings and follow up.

We will continue to keep you advised.

WTF:RA MR:OR:IGEA:sb

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